DATE 1/14/12

The Medicaid Expansion: State Options & Considerations

Presentation to
Montana Legislature

January 14, 2013

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Medicaid Expansion: Factors for State Evaluation

- Cost of coverage of newly eligible adults
- Cost of coverage of eligible but unenrolled attributable to Medicaid expansion
- State savings from current Medicaid/CHIP and state/locally- funded services and additional state revenues
- Broader economic value of additional health care dollars to health care system and state economy
- Coverage Model for New Medicaid Adults

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EXCHIBIT

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	2014	2015	2016	2017	2018	2019	2020	Cumulative
Number of currently eligible but unenrolled								
Number who take up								
PMPY Cost								
Total Cost								
Percentage attributable to Medicaid expansion								
FMAP (regular)								
Subtotal – State Costs								



Subtotal - State Cost

PMPY administrative costs

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2020 Cumulative



Offset State/Local Savings & New State Revenue

Savings From:

- Current Medicaid populations that move to new adult group with enhanced federal matching dollars or to Exchange with federal premium tax credits
- Enhanced CHIP FMAP: Increases by 23 percentage points in 2015
- Current state-funded programs and services to uninsured individuals
- Current county- and city-funded programs and services for uninsured individuals

New Revenue From:

- Provider/insurer fees or assessments
- General business taxes

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Source: Matthew Buettgens, Stan Dorn and Caitlin Carroll. "Consider Savings as Well as Costs," Robert Wood Johnson Foundation, July 2011.

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Savings From Transitioning to New Adult Group

- New Adult Group: individuals with incomes below 133% FPL who are under age 65; not pregnant; not entitled to or enrolled in Medicare; and, not eligible under an existing mandatory category.
- Newly Eligible Individuals: adults under age 65 with incomes below 138% of the FPL who were not covered under state's Medicaid Plan or under a Waiver with comprehensive benefits as of December 1, 2009.
- Enhanced FMAP: states will receive enhanced FMAP for adults within the new adult group who are "newly eligible" beginning January 1, 2014.
- FMAP Proxy: HHS will establish a proxy methodology to adjust FMAP payment to states to take into account "newly eligible" individuals who would have been eligible under another category in 2009.

Year	Enhanced FMAP Newly Eligible Adults up to 138% FP							
	State Share	Federal Share						
2014	0%	100%						
2015	0%	100%						
2016	0%	100%						
2017	5%	95%						
2018	6%	94%						
2019	7%	93%						
2020+	10%	90%						

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Offset State Savings: Medicaid/CHIP Programs

Estimated State Savings										
2014	2015	2016	2017	2018	2019	2020	2014-2020 (cumulative)			
	2014			2014 2015 2016 2017	2014 2015 2016 2017 2018	2014 2015 2016 2017 2018 2019	2014 2015 2016 2017 2018 2019 2020			

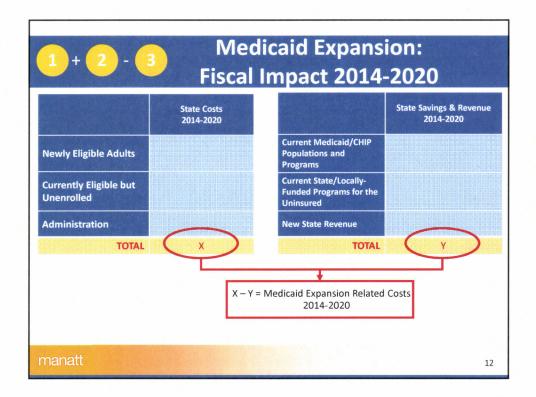
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	Estimated State Savings								
rograms and Services for the Uninsured	2014	2015	2016	2017	2018	2019	2020	2014-2020 (cumulative	
Coverage for specific diseases/conditions									
Funding for certain public health services									
State/local mental health spending									
State/local substance abuse spending									
State High Risk Pool									
Costs for inpatient care of prisoners									
State/local indigent care funding									
Other									

	Estimated State Revenue									
	2014	2015	2016	2017	2018	2019	2020	2014-2020 (cumulative		
Provider Fees/Assessments										
Plan Fees/Assessment										
General Business Taxes										
Other										
Other										
Total: Revenue										

	State Savings & Revenue										
	2014	2015	2016	2017	2018	2019	2020	2014-2020 (cumulative)			
Current Medicaid Populations and Programs											
Current State/Locally- Funded Programs for the Uninsured											
New State Revenue											



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- Determine Alternative Benefit Plan (Benchmark benefits)
 - Compare to Medicaid standard benefits
 - Compare to benefits offered by qualified health plans in the Exchange
- Consider whether and how to apply cost-sharing
 - Generally limited, but new federal guidance expected shortly
- Evaluate purchasing models
 - Fee-for-service
 - Managed fee-for-service
 - Medicaid managed care
 - Qualified health plans

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State Decisions

- Reasons to expand; States cite:
 - Health insurance will be available to more residents
 - The economics
 - Opportunity to reform Medicaid and drive system wide reform
 - Costs of not expanding
- Reasons not to expand; States cite:
 - The economics
 - Enhanced FMAP may not hold
 - Medicaid is broken

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Questions?

Manatt Health Solutions

Deborah Bachrach dbachrach@manatt.com 212-790-4594

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